GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1379
ANSWERED ON:08.12.2004
WORLD BANK LOAN .
Oram Shri Jual

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the total amount of World Bank loan taken by the Telecom Regulatory Authority of India (TRAI) since its inception.

(b) the purposes for which TRAI has taken the loan;

(c) the terms and conditions on which the loan has been obtained from World Bank; and

(d) the extent to which the loan has been utilized.

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (Dr. SHAKEEL AHMAD)

(a) & (b) The World Bank had approved a loan for the Telecommunication Sector Reforms Technical Assistance project, under which an amount of US$ 4.5 million was initially allocated for TRAI. This was subsequently revised to US$ 2.5 million (Rs. 10.75 crore approx.). Purpose of the loan is strengthening its institutional capabilities to perform functions under the TRAI Act, including provision of training for staff and carrying out of consultative studies on regulatory issues.

(c) As per the terms and conditions of the loan agreement, Government of India shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, at a rate for each Interest period equal to London Inter Bank Offered Rate (LIBOR) Base Rate plus LIBOR Total Spread. The Government of India shall also pay to the Bank an upfront fee of an amount equal to 1% of the Loan as well as a commitment charge at the rate of 0.75% per annum on the principal amount of the Loan not withdrawn from time to time.

(d) So far, TRAI has utilized an amount of Rs. 6.83 crore of the loan amount.